



The Secretary for Health Services
COMMONWEALTH OF KENTUCKY
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FRANKFORT 40621-0001
(502) 564-7042

PAUL E. PATTON
GOVERNOR

MARCIA R. MORGAN
SECRETARY

October 18, 2002

Establishment of an interim and final Prospective
Payment System rate for a newly enrolled Primary
Care Federally Qualified Health Center or Rural
Health Clinic #A-337

Dear Provider:

The Department for Medicaid Services, in accordance with 907 KAR 1:055, payments for primary care center, federally-qualified health center, and rural health clinic services, has established the following policy relating to the determination of a prospective payment system (PPS) rate for a newly enrolled Medicaid provider.

- Upon receipt of a confirmation letter from Unisys, which will contain a Medicaid provider number and an effective date, the Primary Care Center (PCC)/Federally Qualified Health Center (FQHC) or Rural Health Clinic (RHC) shall request cost reporting forms and a Scope of Services Survey (MAP 100601) form from the Department.
- The provider shall complete the cost report and Scope of Services Survey form utilizing twelve (12) months of projected financial data and services outlined in the facilities' license and return it to the Department. The projected data and services shall be utilized by the Department to calculate an interim PPS rate per visit. An interim PPS rate must be established and entered into the system in order for a facility to be reimbursed. All employees who provide services to Medicaid recipients are required to be enrolled in the

"...promoting and safeguarding the health and wellness of all Kentuckians."



Medicaid program and linked to their facility of employment prior to reimbursement.

- Sixty (60) days following the fiscal year end (FYE), the provider shall submit a cost report and Scope of Services Survey reflecting twelve (12) months of operating costs and services. This data shall be utilized by the Department to calculate a final PPS rate per visit after the cost report has been audited.
- An adjustment shall be made between the interim and final rate as to monies owed by the Department or the provider for the first fiscal year end.

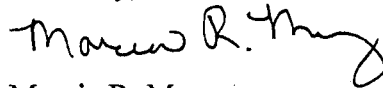
Prospective Payment System Rate Adjustment (Change in Scope of Services) or MAP 100501 is being included for your information. Providers shall request from the Department MAP 100501 and notify the Department of any change in the Scope of Services provided by your facility prior to the change going into effect. A change in the Scope of Services means a change in the type, intensity, duration, or amount of service. Both added or deleted services must be reported to the Department. An adjustment in the PPS rate will be made as appropriate.

The initial projected cost report, MAP 100501, MAP 100601 and FYE cost report shall be mailed to the following address:

Duane C. Dringenburg, Director
Division of Physicians and Specialty Services
Department for Medicaid Services
Cabinet for Health Services
275 East Main Street, Mail Stop 6 E-F
Frankfort, Kentucky 40621

Should you have questions or need further clarification, please contact Susanne Rogers, Manager, Physician's Branch, with the Division of Physicians and Specialty Services. She may be reached by telephone at (502) 564-3477 or by e-mail at Susanne.rogers@mail.state.ky.us.

Sincerely,



Marcia R. Morgan
Secretary

Attachments: Cost Report
MAP 100601
MAP 100501